

CCH® ProSystem fx® Tax

2021.03041

Release Notes

May 8, 2022



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## Contact and Support Information

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Product and account information can be accessed by visiting Customer Support online at [support.cch.com](http://support.cch.com). In addition to product and account information, the Customer Support site offers answers to our most frequently asked questions, forms release status, Knowledge Base articles, training videos, and operating systems compatibility. Access to these features is available 24/7.

The following website provides important information about the features and updates included in all CCH ProSystem *fx* Tax releases: [Release Notes](#).

Visit the [Application Status](#) web page to view the current status of our CCH applications. The Application Status web page is updated every 15 minutes.

Go to [Contact Us](#) to find information on topics such as Sales and Billing, as well as options to Open a Support Case or Chat with a Representative if you need assistance.

## Information in Tax Release Notes

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CCH® ProSystem fx® Tax Release Notes inform you of the enhancements and updates that have been made to Tax products and systems with the current release.

Updates provided in the Release Notes include the following:

- Contact and Support information
- Updates to the Tax technology (electronic filing updates, Pro Forma/Recall, Organizer, technology enhancements)
- Updates made to Tax products (form additions and updates, diagnostic updates, changes caused by regulatory updates)

To access a list of CCH ProSystem fx Tax Release Notes for the current year and for prior years, visit the [Release Notes](#) page on our Customer Support site.

## Highlights for Release 2021.03041

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### Tax Updates

#### Individual

**Arizona** - Additional automation for the SBI forms is available on this release.

#### Partnership

**Louisiana** - The watermark is removed from Form IT-565.

### Electronic Filing Updates

#### Approved Products Available on this Release

The following products are approved and available on this release:

##### Individual

Arizona SBI is available; however, disqualifying diagnostics remain work in progress

##### S Corporation

**Federal** - Electronic filing of Schedule K-2 and Schedule K-3 through XML is projected to be available on July 24, 2022. The IRS has announced they will open for electronic filing for these forms on July 24, 2022.

**California** - Electronic filing of Form 3893 for the June estimate payment is available.

##### Partnership

**Federal** - Electronic filing of Schedule K-2 and Schedule K-3 through XML will be available on May 22, 2022.

**California** - Electronic filing of Form 3893 for the June estimate payment will be available on May 22, 2022.

##### Fiduciary

Louisiana Extensions

# Tax Product Updates

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## Individual (1040) Product Updates

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### Federal

For OK OW-8-ES, the due date for the first estimate has been changed to 4/15/2022 per state instructions.

**Form 2210 AI.** Overrides for alternative minimum tax are now included in the 2210 AI calculation.

**Form 3800.** Carryover amounts for the Research Credit (Form 6765) are now included on the appropriate carryover reports in the appropriate amounts when multiple passive entities passing through the credit are present in the return.

**Form 8915-E and Form 8915-F.** Pro Forma on the fly is available on this release. Form 8915-E, Lines 9 and 17 did not pro forma to the 2021 return in all situations prior to Release 2020.05091, posting March 20, 2022.

The first situation was resolved on Release 2020.05050, posting January 30, 2022. On this release, Form 8915-E, Lines 9 and 17 pro forma to the IRAs, Pensions and Annuities (IRS 1099-R) > 8915F - Qualified Disaster Retirement Plan (Interview Form M-27).

When opening a return created by pro forma in this situation, a message box will appear stating:

- The prior year Form 8915-E, Lines 9 and 17 did not pro forma to the current year Form 8915-F input.
- Select "Yes" to automatically correct this issue. A Reset Input may be needed to see the changes in input.
- Select "No" if you do not want any modifications made to this return.
- If "No" is selected, this message will not appear again and this option will not be available in the future.

The second situation was resolved on Release 2020.05091, posting March 20, 2022. On this release, Form 8915-E, Lines 9 and 17 pro forma to IRAs, Pensions and Annuities (IRS 1099-R) > 8915F - Qualified Disaster Retirement Plan section (Interview Form M-27) only when "Elect to spread the taxable amount over three years" is not checked.

When opening a return created by pro forma in this situation, a message box will appear stating:

- The prior year Form 8915-E, Lines 9 and/or 17 rolled forward to the current year Form 8915-F input when the option to not spread the taxable amount was checked.
- Select "Yes" to automatically correct this issue. A Reset Input may be needed to see the changes in input.
- Select "No" if you do not want any modifications made to this return.
- If "No" is selected, this message will not appear again and this option will not be available in the future.

Preparers who have manually made entries in the 2021 return should answer "No." Pro Forma on the fly should not be executed if manual entry has occurred.

**Form 8915-F.** Input has been added to indicate the disaster is the Coronavirus.

**Form 8915-F.** Input was added to pay the remainder of the distribution.

**Form 8915-F.** Part I only fills out if there is a current year disaster.

**Form 8962.** On the Step 3 and Step 5 worksheet, the PTC amount calculates correctly when linked to an activity and household income would be 401% but there is unemployment in the return.

**Form 8995.** When there are multiple basis activities and carryovers are not entered for an activity, XXXXX no longer displays as the carryover amount.

**Schedule A.** Contributions for 100% limit are now shown as the carryover minus the amount used on Form 1040, Line 12b when not itemizing.

**Schedule A, Line 2** uses the correct AGI when a dual status return has a 1040 Statement used in return.

**Schedule SE.** Minister's Worksheet 4, Line 2 no longer fills if Schedule C is marked as not self-employment income.

## Alabama

The federal income tax deduction worksheet will now automatically calculate amounts for the child tax credit, credit for dependent care expenses, earned income credit, credit for qualifying children and other dependents that are recomputed based on 2020 rules. Overrides are available on the Alabama Income/Deductions worksheet, Federal Income Tax Deduction section (Interview Form AL10, Boxes 65 through 68).

## Arizona

Arizona Small Business Income tax electronic filing is turned on for 2021.03041. Disqualifying diagnostics and bank information diagnostics have not yet been installed. These diagnostics will be installed on a future release.

## Connecticut

Other states' credit for taxes paid calculation includes the pass-through entity tax credit when present.

## Delaware Electronic Filing

Electronic filing of Form PIT-STC and PIT-STC SP is now available.

## Iowa

**Form Iowa 2210** now calculates the first installment from June 1, 2022.

## Maryland

**Maryland Form 502, Line 42** will equal Form 502, Line 22 minus Line 21.

## Minnesota

**Form M1PR, Lines 5 and 11** exclude SSI from Form M1NC, Line 32.

Other states' credit for taxes paid calculation includes the pass-through entity tax credit when present.

## North Carolina

**Schedule S, Line 1.** Statement for Interest Income From Obligations of States Other than N.C. displays state allocated bond premiums on tax exempt bonds rather than the full federal amount. Thus, the statement foots and matches the amount on Schedule S, Line 1.

## Ohio - Ohio Cities

The credit rate for Napoleon has been updated.

## Oregon

**Form OR-10** does not print if an exception has been entered and the \$1,000 threshold has not been met. Form OR-CAT-EXT and the corresponding payment voucher OR-CAT-V EXT are available as official forms.

## Oregon - Multnomah/Portland/TriMet

The automatic Oregon Return PDF will now generate for Forms MET-40, MC-40, MET-40-NP, and MC-40-NP, even when there is no balance due or refund. Additionally, clients can now manually attach Oregon return PDFs using new PDF codes.

**Line 14 on MET-40-NP and MC-40-NP Schedule INC** will now include Line 9.

The Multnomah County and City of Portland Annual Exemption Request box will no longer fill when Code X is entered.

The PDF Names will now load properly on the MC-40 ERO Information.

The PDF Names will now load properly on the MET-40 ERO Information.

The PDF Names will now load properly on the TM ERO Information.

The preparer signature date now prints on Forms MET-40, MC-40, MET-40-NP, and MC-40-NP.

## Pennsylvania

Non-employee compensation no longer doubles on the Pennsylvania return when it is entered as Non SE income.

## Pennsylvania - Pennsylvania Cities

"Make checks payable to" references for all jurisdictions serviced by Berkheimer Tax Innovations uses HAB-EIT in Letters, Filing Instructions, Mailing Sheets, and Labels. The format of each mailing address matches "What address do I send my return to?" in the FAQs listed on <https://www.hab-inc.com/local-earned-income-tax-return-faq/> website. The quarterly estimated payments mailing address format matches form DQ-1 instructions under Payment and Receipt in <https://www.hab-inc.com/wp-content/uploads/DQ12012.pdf>.

Rate for Benton Area School District is 1.1% for codes 190101-190106. This is a reversal from the March rate updates. The Municipal Tax Register changed this back from March to April for unspecified reasons. We contacted the Pennsylvania Department of Community & Economic Development office to confirm the reversal.

## South Carolina

The credit for taxes paid worksheet uses the other state's adjusted gross income in the calculation of Line 2.

## Tennessee Electronic Filing

Letters and Form FAE 172 print a due date of 04/18/22 for the franchise and excise tax estimate payment for Quarter 1.



## Corporation (1120) Product Updates

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### Arkansas

**Form AR1100CT.** Line 30 in a combined return will reflect the combined total of Form AR1100CT, Line 30 from all subsidiaries regardless of the apportionment method used in each subsidiary.

### Florida

Amended Letters and Filing instructions have been updated when there is no balance due or refund.

### Illinois

**Schedule NLD Worksheet** will no longer show as prior year when there are more than 3 loss years.

### Illinois Combined

**Form IL-1120, Line 38** at the consolidated level will now be limited to 100000 per IL instructions.

### Kansas

The due date of the annual report now shows 4/18/2022 in the letters and filing instructions.

### Michigan

Due dates for estimated tax payments, extensions, and returns have been adjusted in transmittal letters, filing instructions, and all calculations to remove any adjustments to the due dates caused by the original due date falling on a weekend or holiday.

### Oklahoma

**OW-8-ESC** due dates updated to no longer acknowledge Emancipation Day.

### Oregon

Form OR-CAT-EXT and the corresponding payment voucher OR-CAT-V EXT have been added to the program as official forms.

## S Corporation (1120S) Product Updates

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### Illinois

When the PTE Income Worksheet, Line 8 is greater than zero and Line 9 is equal to 0, Line 10 will be 0%.

### Massachusetts Electronic Filing

Form 63D-ELT e-file has been updated to include foreign address for the qualified members.

### Michigan

Due dates for all returns, estimated payments, and extensions except those associated with composite returns have been updated and will no longer change to the next business day if the original date falls on a weekend or holiday.

### Oregon

Form OR-CAT-EXT and the corresponding payment voucher OR-CAT-V EXT have been added to the program as official forms.

**OR-20-V EST** will no longer acknowledge Emancipation Day.

## Partnership (1065) Product Updates

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### Illinois

**PTE Worksheet, Line 11** will now calculate using overrides entered on Illinois worksheet Allocation and Apportionment > Special Apportionment and Apportionment Overrides > Total everywhere and Total within Illinois (IL3 Boxes 72 and 73).

**Schedule B, Column F** will now show "P" for Investment Partnerships when a PTE election is made.

### Massachusetts Electronic Filing

**Form 63D-ELT** amended electronic filing is available. Diagnostic 42335, which prevented filing the amended return, has been removed.

### Michigan

The due dates for returns, estimated payments, and extensions other than composite returns (Form 807) have been updated to no longer be extended to the next business day if the due date falls on a weekend day or holiday.

### Oregon

Form OR-CAT-EXT and the corresponding payment voucher OR-CAT-V EXT have been added to the program as official forms.

## Fiduciary (1041) Product Updates

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### Federal

**1116 Schedule C, Part III, Column 2** equals the sum of Part I, Column 12 and Part II, Column 12.

### Alabama

The heading on the Alabama Payments worksheet will no longer include Electing Pass-through Entity payments. This section will be used for Composite payments only. If there is a PTE payment, make an entry for the PTE amount on one of the IRS K1 Passthroughs > Activity > State column > State passthrough entity credit (Interview Forms IRS-K1 1041, IRS-K1 1065, or IRS-K1 1120S). Then make your allocation for the beneficiaries on Beneficiary Information > State K-1 Information > PTE credit percent (Interview Form K-7, box 205).

### Idaho

**Form 66, Line 10** will factor the amount from Line 8 into the calculation.

### Louisiana

- The watermark is removed from Form IT-541-2D and full paper filing is now available.
- Electronic filing of the Louisiana Form R-6466 (extension) is now available.
- Electronic filing of the Louisiana return will be available on a later release.

### Massachusetts

Massachusetts distributions are no longer incorrectly limited in certain scenarios on Schedule IDD and Schedule 2K-1.

### New Jersey - Electronic Filing

The direct debit/withdrawal date for an extension will now appear on the extension transmittal letter and filing instructions.

### Wisconsin

**Schedule MA-A & MA-M** Pass-through Credits Used Against ESBT Tax on Schedule ESBT.

- New input exists on Wisconsin > Credits > Schedule CR credits > Agriculture Credit (Schedule MA-A) and Manufacturing Credit (Schedule MA-M) - Passthrough Entity Information > Check if for ESBT (Interview Form WI19, Box 82) to mark if passthrough information for Schedule MA-A and/or MA-M should be part of the ESBT calculation instead of regular tax calculation.
- This changes the calculation on Schedule MA-A and MA-M to show on the statement for Line 17 for passthrough if ESBT. Then those credits will be applied on Sch ESBT, Line 22 and those not marked for ESBT will go against the regular tax on Line 6a of Form WI2. This will affect the Sch CR lines as well.